

120 2nd Street NW
Sidney, MT 59270
Ph: 406-433-3212
Fax: 406-433-3235



PO Box 347
Broadus, MT 59317
Ph: 406-436-2611
Fax: 406-436-2604

February 21, 2011

Jennifer J. Johnson, Secretary
Board of Governors of the Federal Reserve System
Washington, DC
E-mail: regs.comments@federalreserve.gov

RE: Docket No. R-1404 and RIN No. 7100 AD63
Debit Card Interchange Fees

Dear Ms. Johnson:

1st Bank, with locations in Sidney and Broadus, Montana, is a bank with less than \$10 billion in assets. Per the Durbin Amendment verbiage, 1st Bank is not subject to the reduced interchange fees.

Sidney has a Wells Fargo branch that will be subject to the amendment. Sidney has a mini big-box store—Pamida. Will Pamida desire to process its debit card sales from Wells Fargo cards at the reduced rate or from 1st Bank cards at a “70%” higher rate?

The big bank-small bank problem is very simple to explain. All businesses’ income, including banks, is based on the amount of assets they have to invest. Big banks have billions in assets, and small banks have millions. Is there a difference in each bank’s ability to pay additional expenses caused by Congress and regulatory reform?

Congress and regulators have a tendency to treat all banks the same. Only the one speeding on the highway pays the fine. Why can’t banking be treated the same way?

Sincerely,

John L. Franklin
John L. Franklin *JLF/wc*
President & CEO

JLF/wc

www.our1stbank.com

